

Message Text

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R 251240Z MAY 77
FM AMCONSUL DHAHRAN
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INFO AMEMBASSY ATHENS
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USLO RIYADH

UNCLAS SECTION 1 OF 2 DHAHRAN 0604/1

E.O. 11652: N/A
TAGS: BEXP, SA
SUBJECT: MONTANA TRADE MISSION CONCLUDES SUCCESSFUL VISIT TO DHAHRAN

1. SUMMARY: A SMALL AND LOW-PROFILED MONTANA TRADE MISSION VISITED SAUDI ARABIA'S EASTERN PROVINCE MAY 18-19 AND IT MAY HAVE ACCOMPLISHED AS MUCH AS A LARGE AND BETTER-FUNDED MISSION. GROUP OF FIVE, WITH ONE EXCEPTION, FOUND THE VISIT A REAL "DOOR OPENER" TO SAUDI ARABIA'S EASTERN PROVINCE AND THE MEASURABLE RESULTS OF THE MISSION COULD BE EXCEPTIONAL IF MEMBERS OF MISSION FOLLOW UP, AFTER RETURNING HOME, ON SEVERAL PROPOSALS AND EXPORT LEADS THEY RECEIVED HERE. END OF SUMMARY

2. MONTANA'S IOGA TRADE MISSION VISITED SAUDI ARABIA'S EASTERN PROVINCE MAY 18-19 AND HAD AN APPOINTMENT-FILLED PROGRAM THAT ACHIEVED OR EXCEEDED ANTICIPATIONS OF ALL BUT ONE OF TRADE MISSION'S FIVE MEMBERS (SEE PARA 4). MONTANANS WERE HARD WORKING (FIRST APPOINTMENTS FOR MOST STARTED BEFORE 8 AM), CAPITALIZED ON THEIR WESTERN US FRIENDLINESS AND STRESSED THAT THEQ WERE FROM A LARGE, THINLY POPULATED AREA THAT IS SUCCESSFULLY COPING WITH PROBLEMS SIMILAR TO THOSE FOUND IN SAUDI ARABIA. MISSION ALSO HAD GOOD FORTUNE
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OF LINKING UP WITH SMALL BUT PROUD GROUP OF RESIDENT MONTANANS WHO WENT ALL OUT TO ASSIST THEIR FELLOW "TREASURE STATERS".

3. VERY SUCCESSFUL SEGMENT OF TM VISIT WAS MORNING PROGRAM ARRANGED BY POWER SYSTEMS DEPARTMENT OF ARAMCO WHICH WORKED HARD TO SEE THAT EACH MEMBER OF TRADE MISSION HAS USEFUL AND INTEREXOING APPOINTMENTS INSIDE WORLD'S LARGEST PETROLEUM

PRODUCING COMPANY. THESE APPOINTMENTS CLICKED AND MOST MEMBERS HAVE BEEN INVITED TO SUBMIT PROPOSALS TO ARAMCO. MORNING WITH OIL COMPANY CONCLUDED WITH LUCH HOSTED BY ARAMCO SENIOR VICE PRESIDENT. POST OBSERVES THAT IT HAS NEVER BEFORE SEEN ARAMCO GIVE A TRADE MISSION, AND ITS PRODUCTS, SUCH A WARM RECEPTION. ARAMCO ALSO ARRANGED FOR THE TWO TRADE MISSION MEMBERS IF FROM ELECTRICAL SERVICE COMPANY TO HAVE FIELD TRIP TO NEARBY OASIS

WHICH PROVED TO BE INSTRUCTIVE AND INTERESTING. ONE MEMBER TRAVELLED TO ARAMCO'S RAS TANURA REFINERY AND ECAN TERMINAL FACILITY TO HAVE TWO WORTHWHILE APPOINTMENTS.

4. FOLLOWING IS SUMMARY OF ACCOMPLISHMENTS AND REACTION OF MARKET TO PRODUCTS OF INDIVIDUAL TRADE MISSION MEMBERS:

(A) MORRISON-MAIERLE (M-M) REP WAS WELL RECEIVED BY SMALL LOCAL A&E FIRMS WHICH WOULD LIKE TO ASSOCIATE WITH MEDIUM-SIZE US A&E COMPANY AWARE OF WORKING IN CONDITIONS SIMILAR TO THOSE FOUND IN SAUDI ARABIA. M-M TRADE MISSION MEMBER RECEIVED THREE PROPOSALS OF ASSOCIATION WHICH HIS COMPANY PLANS TO PURSUE. IN ADDITION, ARAMCO INVITED A&E FIRM TO SUBMIT PROPOSAL WHEREBY SMALL TEAM WOULD WORK FOR OIL COMPANY AS PROJECT MANAGERS. FINALLY, BECHTEL'S JUBAIL PROJECT MAY HAVE A PLACE FOR MONTANA COMPANY WHICH WOULD UTILIZE AROUND 50 MEN FOR TWO YEARS.

(B) CRISAFULLI PUMP EXECUTIVE FOUND NO APPLICATIONS FOR HIS, COMPANY'S PRODUCT IN EASTERN PROVINCE'S AGRIC SECTOR. HOWEVER, TRADE MISSION MEMBER IDENTIFIED POSSIBLE AGENT WHO SEE S MARKET UNCLASSIFIED

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OR CERTAIN CRISAFULLI PUMPS WHICH CAN BE USED TO FEED WATER TO APARTMENT AND HOME ROOF-TOP TANKS. ALSO, APPOINTMENTS WITH ARAMCO, PARTICULARLY ONE WHICH DISCUSSED OIL SKIMMER THAT COULD BE USED AROUND OIL COMPANY'S OFF-SHORE TERMINAL FACILITY, COULD WELL LEAD TO ORDERS FOR EASTERN MONTANA COMPANY.

(C) SCHMIT, SMITH & RUSH (SSR) MEMBER WAS BRACKETED WITH MONTANA ASSOCIATED UTILITIES MEMBER TO RECEIVE DETAILED BRIEFINGS ON MAJOR ELECTRICAL POWER EXPANSION PROGRAM JUST GETTING OFF GROUND IN EASTERN PROVINCE. LATER THESE TWO MISSION MEMBERS VISITED TWO RURAL ELECTRIC UTILITIES WHERE THEY SAW CONDITIONS UNDER WHICH ELECTRICAL POWER IS DELIVERED TO RURAL CONSUMERS. IN SOLID DISCUSSION WITH ARAMCO, ONE MONTANA COMPANY WAS ASKED TO SUBMIT PROPOSAL FOR SERVICE WHICH COMPANY FEELS UNUSUALLY WELL EQUIPPED TO PROVIDE. IF ITS PROPOSAL IS ACCEPTED, MONTANA COMPANY WOULD HAVE MAJOR DOOR-OPENER FOR FUTURE BUSINESS. ARAMCO EXTREMELY INTERESTED IN SPECIALIZED UNDERGROUND FAULT DETECTION UNITS DEVELOPED AND PACKAGED BY SSR.

(D) MONTANA ASSOCIATED UTILITIES (MAU) REP PERHAPS DISCERNED LEAST INTEREST HERE FOR ITS SERVICES OF ALL MEMBERS OF TM. COMPANY OFFERS TRAINING AT LOWER END OF TECHNICAL SCALE. SERVICE IT CAN PROVIDE IS ALREADY BEING PROVIDED BUT, ON OTHER HAND, IF MIDDLE-LEVEL MANAGEMENT TRAINING FOR OPERATION OF RURAL ELECTRICAL UTILITY COULD BE PROPOSED, GREATER INTEREST IN MAU'S SERVICES MIGHT BE GENERATED.

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R 251240Z MAY 77
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C O R R E C T E D C O P Y T E X T

(E) GRIZZLY MANUFACTURING MANAGING DIRECTOR TON TM WAS WELL RECEIVED BY MARKET AS HE APPEARS TO OFFER COMPETITIVELY-PRICED DURABLE PRODUCT WITH ATTRACTIVE DELIVERY DATES. ON APPOINTMENT OPENED THE WAY FOR PURCHASE OF SEVERAL CONTRACTOR UNITS. GRIZZLY APPOINTMENT WITH LARGE SAG AGENCY MAY LEAD WAY TO MONTANA COMPANY SUPPLYING DWELLING UNITS FOR LOW-INCOME HOUSING PROJECT IT PLANS TO CONSTRUCT. MARKET WAS IMPRESSED THAT GRIZZLY HAD MADE REAL EFFORT TO DESIGN HOUSE FOR SAUDI TASTES AND LIFE STYLE. MONTANA COMPANY HAS CONSIDERABLE HOMEWORK AHEAD BEFORE IT CAN HAVE MAJOR MARKET HERE FOR ITS PRODUCTS BUT ITS CHIEF EXECUTIVE MADE GIANT STEP, ON THIS TRIP, BY CAREFULLY STUDYING THE SAUDI MARKET FOR HIS COMPANY'S PRODUCTS.

5. COMMENTS AND RECOMMENDATIONS

(A) THIS WAS MONTANA'S FIRST EFFORT AT FIELDING TRADE MISSIONS. RELYING ON EXPERTISE AND LEADERSHIP OF USDOC'S SATELLITE OFFICE DIRECTOR FROM BUTTE, MISSION CAN BE MARKED DOWN AS HAVING SCORED SOLID SUCCESS IN

SAUDI ARABIA'S EASTERN PROVINCE, BY LOW-PROFILING
PROGRAM OF SMALL TRADE MISSION, DURING PERIOD WHEN POST'S
SMALL ECON/CML STAFF WAS PRESSED FOR TIME, POST WAS ABLE
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TO CONCENTRATE ON APPOINTMENT MAKING AND CONSEQUENTLY,
WORKED UP UNUSUALLY USEFUL SCHEDULE OF APPOINTMENTS FOR
EACH MEMBER.

(B) AS WAS CASE OF RECENT IOWA IOGA TRADE MISSION, APPROPRIATE
TRADE MISSION MEMBERS WERE UNSURE OF COST OF SHIPPING THEIR
GOODS TO SAUDI ARABIA. SUGGEST, FOR FUTURE, THAT AGENCY SPONSORING
IOGA MISSION BE ADVISED TO GUIDE MEMBERS OF THEIR TRADE MISSIONS
IN PREPARATION OF FREIGHT ESTIMATES BEFORE THEY LEAVE US.
EVEN IF MEMBER CAME WITH ONLY PRICE QUOTES "FREE ALONG SIDE"
A EAST OR WEST COAST PORT, IT WOULD BE BETTER THAN RECENT
SITUATIONS WHERE MISSION MEMBERS PLEADED TOTAL IGNORANCE
ON SUBJECT OF SHIPPING COSTS.

(C) MONTANA MISSION BROCHURE WAS ONE OF MOST ATTRACTIVE WE HAVE
SEEN IN LONG TIME AND USDOC MAY WISH TO SHOW IT AS AN EXAMPLE
TO OTHERS PREPARING LITERATURE FOR TRADE MISSIONS.
WHAT IMPRESSED US MOST WAS THE NEAT, WELL-ORGANIZED PAGE IN BROCHURE
FOR EACH COMPANY WITH HELPFUL SUBHEADINGS MARKED "SERVICES",
"OBJECTIVES" AND "COMPANY INFORMATION".

(D) ELECTRICAL COMPONENT OF TRADE MISSION PERMITTED US TO
DO SOME PRELIMINARY PROGRAMMING WORK THAT IT CAN DRAW UPON
WHEN PLANNING PROPOSED ELECTRICAL ENERGY TRADE MISSION
(SEE STATE 004809). POST WILL MAKE ADDITIONAL COMMENTS
ON THIS SUBJECT BY SEPARATE MESSAGE.

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